

Results of J-REITs ESG Initiatives Survey 2024

- This material was prepared by the Japan Research Institute, Ltd., based on the results of the “J-REITs ESG Initiatives Survey 2024.”
 <J-REITs ESG Initiatives Survey 2024>
 Sarvey target: All 58 J-REITs
 Survey period: July–September 2024
 Survey method: Conducted by an external contractor based on the publicly disclosed information from J-REITs or J-REIT Asset Management Companies
- The figures in each pie chart indicate the percentage of J-REITs in each category among all J-REITs (rounded to the first decimal place).

[Summary]



Environment

- The ratio of environmental real estate among the entire real estate portfolio of all J-REITs has been increasing each year, reaching **73.6% (+4.5% YoY)** in the 2024 survey. It is expected to increase further with the establishment of the DBJ Green Building Certification category for hotels.
- A significant number of J-REITs (**about 90%**) are measuring GHG emissions volume, setting GHG emissions reduction targets, and endorsing TCFD recommendations.
- About 90%** of J-REITs have formulated environmental policies and use renewable energy.
- Due to the growing demand for preserving biodiversity, there has been a substantial increase in J-REITs promoting initiatives in this area, with **50%** of J-REITs having established a policy on the preservation of biodiversity.



Social

- More than 80%** of J-REITs have established policies on human rights protection, employee diversity, and occupational health and safety. In addition, many J-REITs have implemented initiatives to promote diverse workstyles.
- More than 90%** of J-REITs have established a policy on social contribution activities. **38 J-REITs** have disclosed the “training time or cost per employee” under a newly added survey item.
- In response to the heightened demand for human rights protection, the ratio of J-REITs with an established policy **increased by about 9%** from the previous year.



Governance

- More than 90%** of J-REITs have established a sustainability-related policy and sustainability promotion framework.
- The percentage of J-REITs that have identified materiality has increased to **more than 80%**.



Environment

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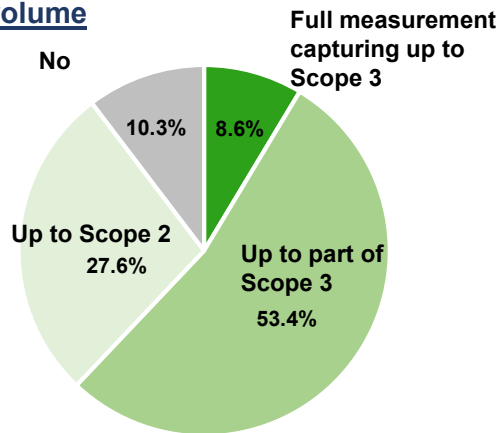
■ The ratio of environmental real estate*¹ among entire real estate portfolio of all J-REITs (gross floor area basis)

	2021	2022	2023	2024
Ratio of Environmental Real Estate	62.6%	66.9%	69.1%	73.6%
Change from previous year	—	+4.3%	+2.2%	+4.5%

*1: Real estate eligible for environmental points allocation in the GRESB assessment (e.g., CASBEE, DBJ Green Building certification, BELS, LEED).

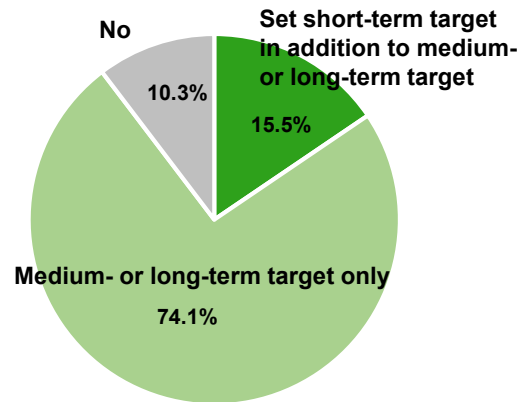
Note: The ratio of environmental real estate is based on ARES research.

■ Measurement of GHG emissions volume



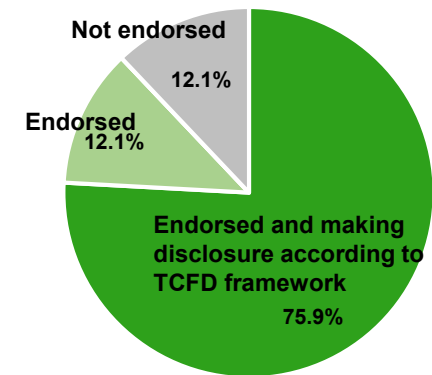
Ratio of J-REITs measuring GHG emissions volume: 89.7%

■ Established GHG reduction target*²



Ratio of J-REITs setting GHG reduction targets: 89.7%

■ Endorsed TCFD

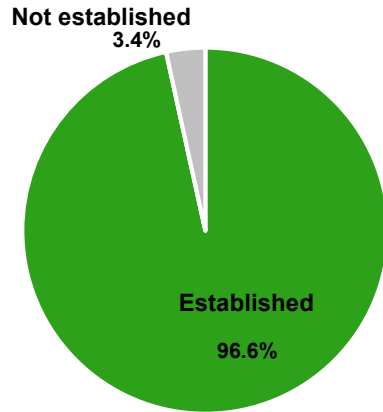


Ratio of J-REITs endorsing TCFD: 87.9%

*2: Short-term target: Less than 5 years, medium-term target: 5 to less than 20 years, long-term target: 20 years or more

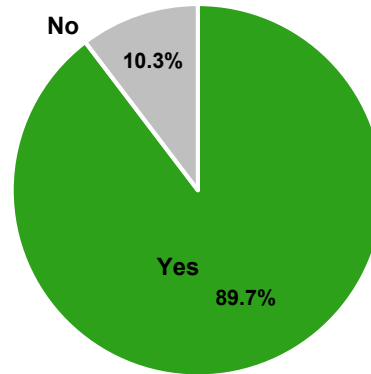
- **About 90%** of J-REITs have established environmental policies and use renewable energy.
- Due to the increasing demand for biodiversity preservation, there has been a substantial increase in J-REITs promoting initiatives in this area, with **50%** of J-REITs having established a policy on biodiversity preservation.

■ Established environmental policy



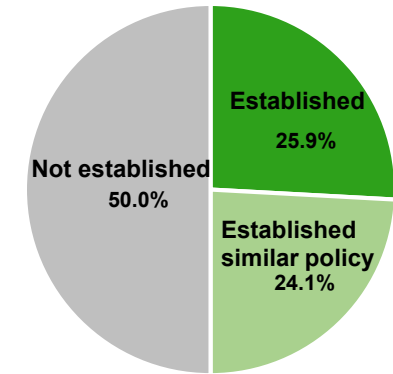
Established environmental policy: 96.6%

■ Use of renewable energy



Use of renewable energy: 89.7%

■ Established policy on biodiversity preservation



Established policy on preserving biodiversity (including similar policies): 50.0%

■ Change in J-REITs initiatives (trend)

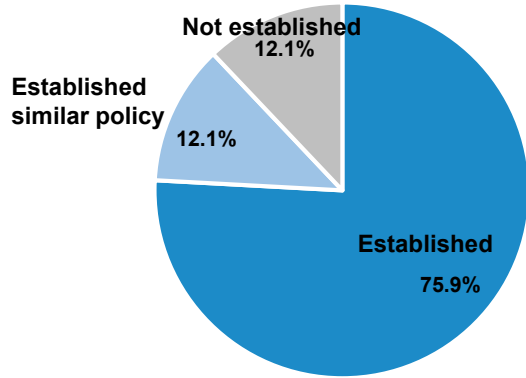
Item	2023	2024	Change (%)
Established policy on preserving biodiversity (including similar policies)	37.9%	50.0%	+12.1%
Use of renewable energy	86.2%	89.7%	+3.5%



Social

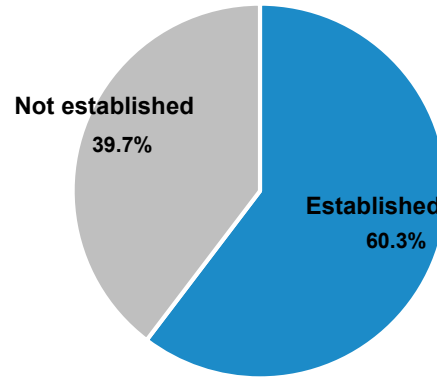
- **More than 80%** of J-REITs have established policies on human rights protection, employee diversity, and occupational health and safety. In addition, many J-REITs have implemented initiatives to promote diverse workstyles.

■ Established human rights protection policy



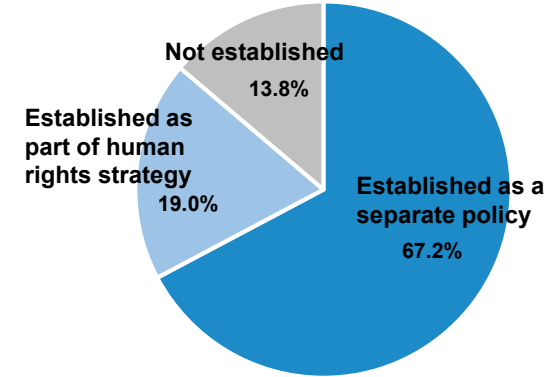
Ratio of J-REITs with human rights protection policy (including similar policies): 87.9%

■ Established supplier code of conduct



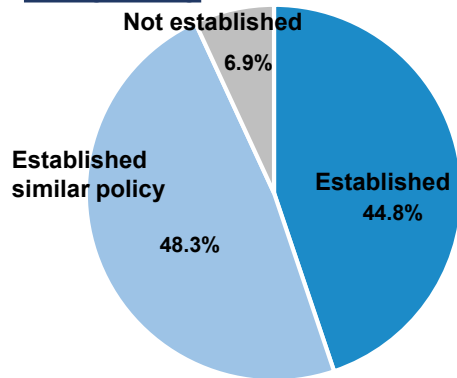
Ratio of J-REITs with supplier code of conduct: 60.3%

■ Established employee diversity policy



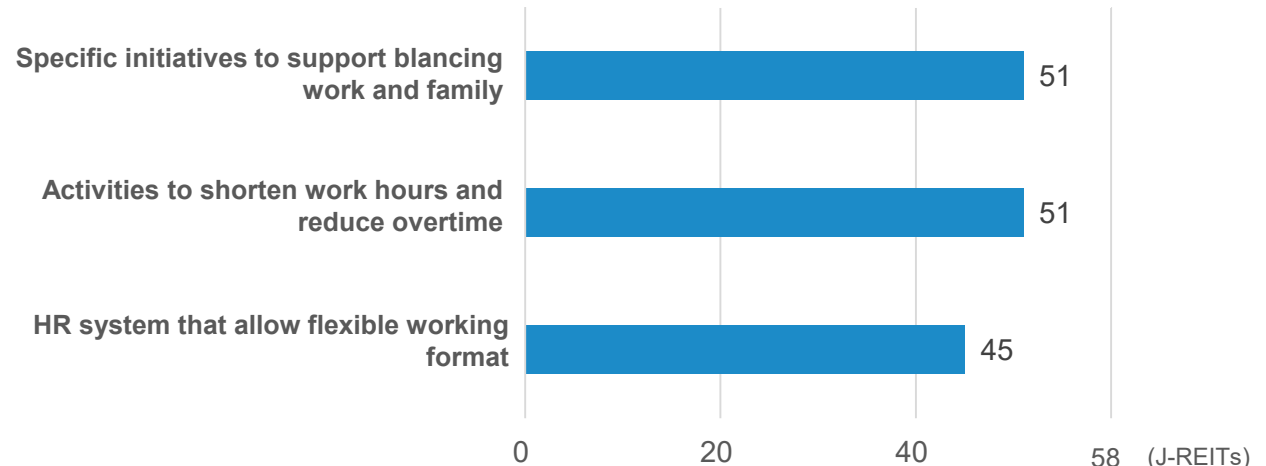
Ratio of J-REITs with employee diversity policy: 86.2%

■ Established occupational health and safety policy



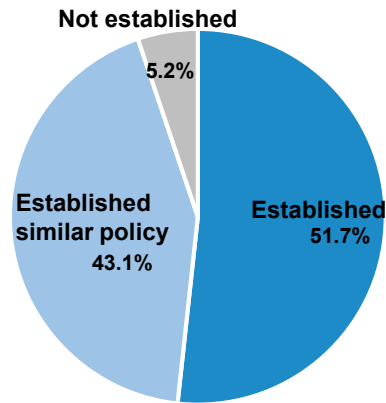
Ratio of J-REITs with occupational health and safety policy (including similar policies): 93.1%

■ Initiative on promoting diverse workstyles



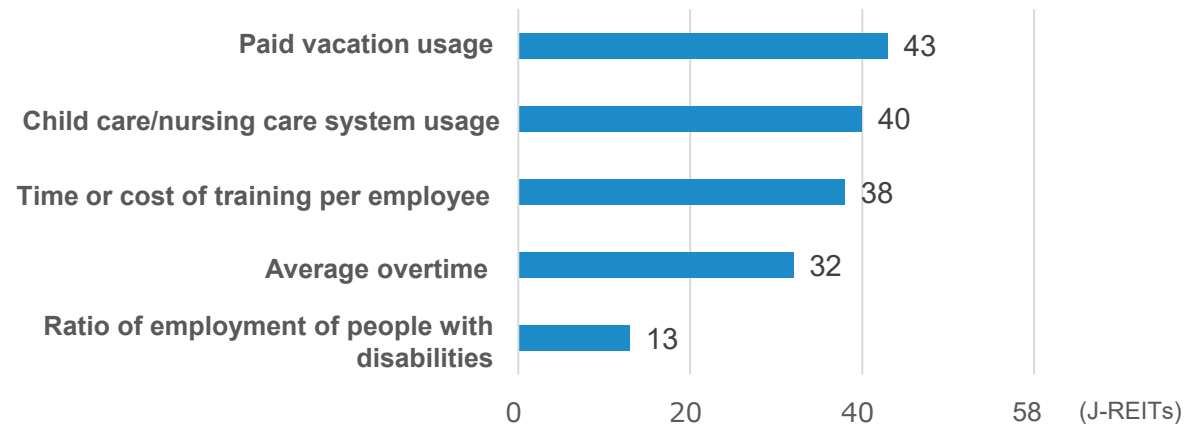
- **More than 90%** of J-REITs have established a policy on social contribution activities. **38 J-REITs** have disclosed the “training time or cost per employee,” a newly added survey item.
- In response to the heightened demand for human rights protection, the ratio of J-REITs with an established policy **increased by about 9%** from the previous year.

■ Established social contribution activity related policy



Ratio of establishment of social contribution activity related policy (including similar policies): **94.8%**

■ Employee related data disclosure



■ Change in J-REITs initiatives (trend)

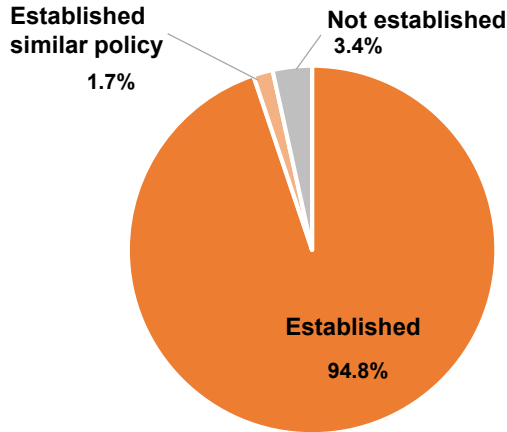
Item	2023	2024	Change (%)
Ratio of J-REITs with human rights protection policy (including similar policies)	79.3%	87.9%	+8.6%
Ratio of J-REITs with occupational health and safety policy	86.2%	93.1%	+6.9%
Ratio of J-REITs with supplier code of conduct	58.6%	60.3%	+1.7%



Governance

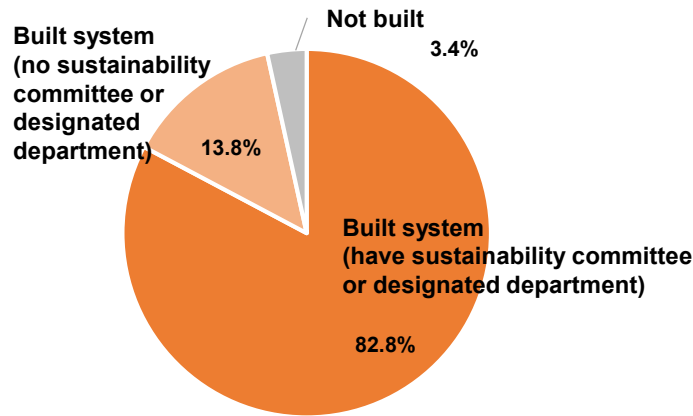
- **More than 90%** of J-REITs have established a sustainability related policy and sustainability promotion system.
- The number of J-REITs that have identified materiality has increased to **more than 80%**.

■ **Established sustainability related policy**



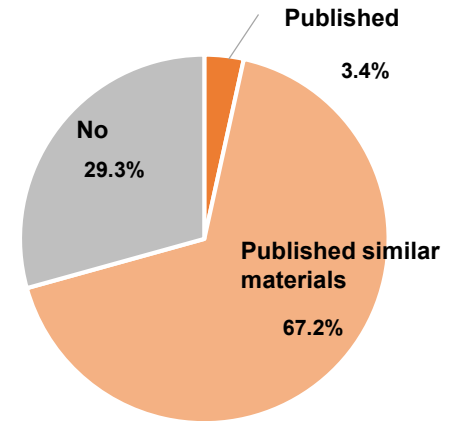
Ratio of J-REITs with sustainability related policy (including similar policies): **96.6%**

■ **Built sustainability promotion system**



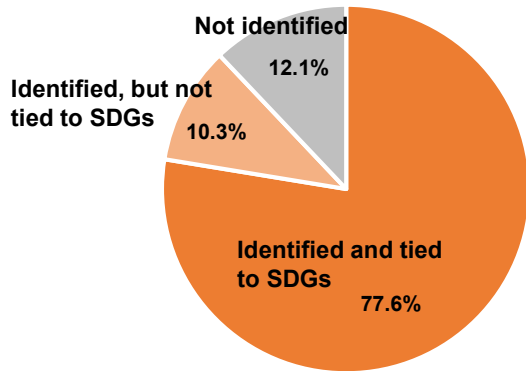
Ratio of J-REITs with sustainability promotion system: **96.6%**

■ **Published integrated report**



Ratio of J-REITs that published integrated reports (including similar materials): **70.7%**

■ **Identified materiality**



Ratio of J-REITs that identified materiality: **87.9%**

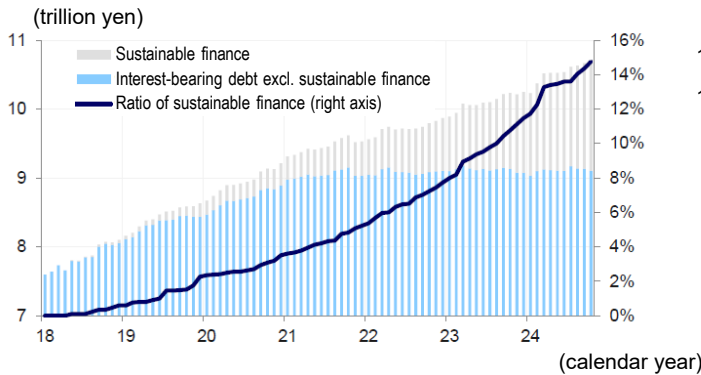
■ **Change in J-REITs initiatives (trend)**

Item	2023	2024	Change (%)
Ratio of J-REITs that identified materiality	75.9%	87.9%	+12.0%

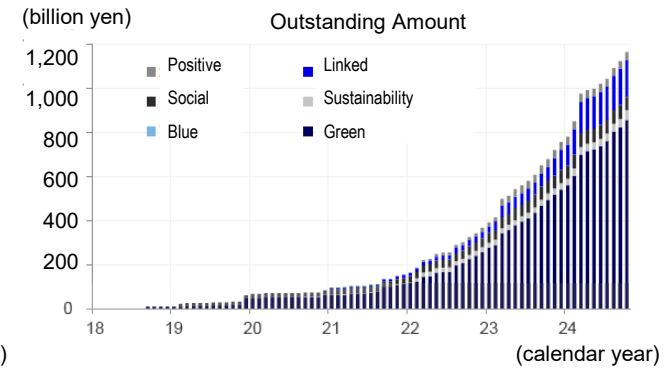
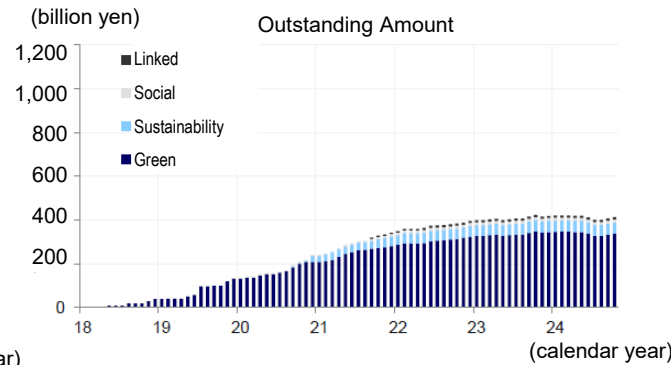
(Reference) External research data related to J-REITs' ESG initiatives

- The ratio of sustainable finance in J-REITs' interest-bearing debt has been increasing each year, reaching nearly 15% as of October 2024.
- As of 2024, 143 Japanese corporations and funds participate in GRESB Real Estate (up from 135 in 2023). Among them, 57 J-REITs are participating, the same number as in 2023.

■ Ratio of sustainable finance in J-REITs' interest-bearing debt

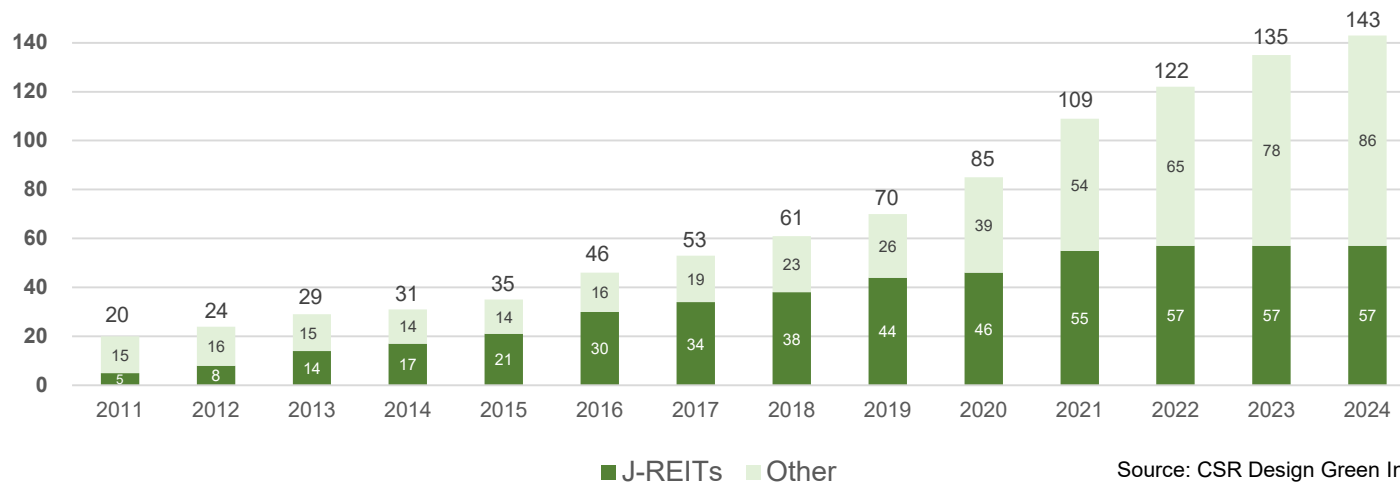


■ Sustainability bonds outstanding (left) and sustainability loans outstanding (right)



Source: Mizuho Securities "J-REIT Finance Monitor (October 2024)"

■ Number of Japanese participants in GRESB Real Estate assessment (2011–2024)



Source: CSR Design Green Investment Advisory, Co., Ltd.